

REMARKS

New claims 56-79 are currently pending in this case. Claims 1, 2, 4-29, 31 and 43-55 have been canceled by this amendment, and claims 3, 30 and 32-42 have been canceled by previous amendment. In view of the above amendments and remarks that follow, Applicant respectfully requests favorable consideration and timely indication of allowance.

In the final Office action dated October 5, 2005, the claims were rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Guenther (US 2003/0139956) in view of Barney (US 6,070,143). Applicant respectfully traverses these rejections to the extent they apply to any claims remaining in this case.

Applicant's attorney appreciates the courtesies extended by the Examiner in a recent telephonic interview on December 19, 2005 to discuss the rejection of claims 1, 43 and 46 under 35 U.S.C. § 103(a). During that interview, the Examiner agreed that the combination of Guenther and Barney was legally insufficient to support a rejection of claims 43 and 46, but indicated that a new search would be required before those claims could be allowed.

As a result of this interview, Applicant has amended the application to replace claims 1, 2, 4-29, 31 and 43-55 with new claims 56-79. The new claims include two independent claims: claim 55 and claim 68. Both these claims include all the limitations of canceled claim 43, and therefore, are unobvious over the combination of Guenther and Barney.

Claims 57-67 are dependent from claim 55, and claims 69-79 are dependent from claim 68, and therefore, each incorporates by reference all the limitations of canceled claim 43. Accordingly, claims 57-67 and 69-79 are also unobvious over the combination of Guenther and Barney.

The claims were also rejected under 35 U.S.C. §§ 101 and 112 (second paragraph) as allegedly being directed to non-statutory subject matter and thereby indefinite. This rejection was further clarified in the December 19, 2005 interview, where the Examiner alleged that the claims do not produce a useful, concrete and tangible result as required by *Ex parte Lundgren*, Appeal No. 2003-2088 (Bd. Pat. App. & Int. 2005). Applicant respectfully traverses these rejections.

In *Ex parte Lundgren*, a panel of administrative judges ruled that it was improper to reject, as non-statutory subject matter, claims to a business method implemented without a computer on the grounds that the claimed invention was outside the "technological arts." The panel reaffirmed the test for statutory subject matter by requiring that the claimed subject matter produce a "practical application, i.e., 'a useful, concrete and tangible result'" as promulgated by the Federal Circuit in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 47 USPQ2d 1596 (Fed. Cir. 1998) and *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ 1447 (Fed. Cir. 1999). The term "practical application" has not been defined by the Federal Circuit, but the panel in *Ex parte Lundgren* offered some guidelines in the context of machine and machine-implemented processes. These guidelines were based on four examples discussed in *State Street Bank* and *AT&T*.

The examples share at least three characteristics: (1) the claimed transformation of data was by a machine (e.g., a computer) . . . ; (2) the data being transformed by the machine corresponded to something in the 'real world,' i.e., it was representative of physical activity or objects, not just a number. . . ; and (3) no physical transformation or control took place outside the machine, i.e., the 'useful result' was expressed as a number in the machine

The claims pending in this case fits squarely within the guidelines promulgated by the panel. First, each claim requires a machine to perform the claimed process. Second, the data being transformed by the machine is not just numbers, but real world activity. In particular, each claim requires that one or more members of an organization input data that characterizes one or more processes of the organization. Third, the physical transformation of the data into a presentation representing the results of an evaluation relating to the interaction among members is performed by the machine. Accordingly, Applicant respectfully submits that claims 56-79 are directed statutory subject matter, and therefore, patentable.

In view of the foregoing amendments and remarks, it is respectfully submitted that this application is now in condition for allowance, and accordingly, reconsideration and allowance are respectfully requested. Should any issues remain which the Examiner believes could be

resolved in a telephone interview, the Examiner is requested to telephone Applicants' undersigned attorney.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 501946 and please credit any excess fees to such deposit account.

Respectfully submitted,

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